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May 20, 2008

Via ECFS

REDACTED FOR PUBLIC INSPECTION

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Ex Parte Notification*: WC Docket No. 07-97, Petitions of Qwest Corp. for
Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St.
Paul, Phoenix, and Seattle Metropolitan Statistical Areas

Dear Ms. Dortch:

On April 23, 2008, XO Communications, LLC ("XO"), through counsel, co-sponsored data in the above-captioned proceeding which show, by wire center for each of the four Metropolitan Statistical Areas ("MSAs") at issue: (1) the total number of commercial buildings; (2) the total number of commercial buildings served by facilities-based competitive local exchange carriers ("CLECs"); (3) the total demand (by DS0); and (4) the total demand (by DS0) that could be addressed by facilities-based CLECs.¹ That data, gathered by GeoResults, demonstrate that in each of the geographic markets for which Qwest seeks forbearance, facilities-based CLECs, in the aggregate, connect with their own facilities to a miniscule number of commercial buildings. The GeoResults data also demonstrate that facilities-based CLECs, in the aggregate, serve a very small portion of the total addressable demand in those geographic markets.

¹ See Letter from Brad E. Mutschelknaus, *et al.* to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 07-97 (filed Apr. 23, 2008) ("*April 23rd Ex Parte*").

To supplement the previously-filed industry-wide data, XO hereby files XO-specific lit commercial building and addressable demand information for the Denver, Minneapolis-St. Paul, Phoenix, and Seattle MSAs.

As Table 1 below shows, XO's current facilities-based lit commercial building market penetration **[BEGIN HIGHLY CONFIDENTIAL]**

TABLE 1

MSA	MSA Name	Number of Buildings	Number of XO Lit Buildings	% of XO Lit Buildings

[END HIGHLY CONFIDENTIAL]

Table 2 below shows XO-specific addressable commercial building demand information. The table provides data for buildings within 500 and 1,000 feet of XO's network.

[BEGIN HIGHLY CONFIDENTIAL]

TABLE 2

MSA	MSA Name	Number of Buildings	% of Comm. Bldgs Within 500 ft of XO Fiber	% of Comm. Bldgs Within 1,000 Ft of XO Fiber

[END HIGHLY CONFIDENTIAL]

The percentages in Table 2 indicate the maximum theoretical reach of XO's network. The reality, however, is that these numbers are overstated. XO could not reach all buildings within 1,000 or even 500 feet of its network in a commercially-reasonably manner.² Whether or not XO could build laterals to these buildings would depend greatly on building demand, as well as other factors such as building access and specific loop plant build characteristics.³ Even if it were the case that XO could reach 100 percent of these near-net buildings in a commercially reasonable amount of time, however, the total theoretical coverage, or addressable reach, of XO's network ranges from [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] in the Phoenix MSA to [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] in the Denver MSA.

In sum, the XO-specific data support the conclusions drawn from the industry-wide GeoResults data that facilities-based CLECs serve an extremely small percentage of commercial buildings in the Denver, Minneapolis-St. Paul, Phoenix, and Seattle MSAs.

Respectfully submitted,



Genevieve Morelli

Counsel for XO Communications, LLC

² It is XO's experience that in nearly all instances, it is uneconomic to consider building a loop lateral longer than 1,000 feet. This is the case because build costs are too high to allow XO to price competitively and to achieve a reasonable return in a reasonable timeframe.

³ XO provides retail and wholesale services and, in so doing, seeks to leverage its extensive network investments and judiciously allocate its capital expenditure budget. In determining whether to light a building, loop length generally needs to be short and demand high. XO's average lateral installation is 500 feet. Moreover, XO does not even consider the construction of a lateral in the absence of a term commitment for no less than 3 DS3s worth of demand.